



CORY FONG
COMMISSIONER

STATE OF NORTH DAKOTA

OFFICE OF STATE TAX COMMISSIONER

STATE CAPITOL, 600 E. BOULEVARD AVE., DEPT. 127, BISMARCK, NORTH DAKOTA 58505-0599

701-328-2770

FAX 701-328-3700

Hearing/Speech Impaired 800-366-6888

www.ndtaxdepartment.gov

GAS TAX RATE NOTICE

TO: North Dakota Gas Producers and Purchasers

FROM: Office of State Tax Commissioner

SUBJECT: Notification of Gas Tax Rate for Fiscal Year 2006

DATE: June 1, 2005

In keeping with the provisions of North Dakota Century Code § 57-51-02.2, the Tax Commissioner has determined that the gas tax rate for the fiscal year beginning July 1, 2005, through June 30, 2006, is \$.1215 per mcf. The gross production tax on gas produced during this time period must be calculated by taking the taxable production in mcf times the \$.1215 gas tax rate.

For your information, the gas tax rate for fiscal year 2006 was determined by the following steps:

STEP 1 - The annual average of the gas fuels producer price index, commodity code 05-3, as published by the U.S. Department of Labor, Bureau of Labor Statistics, for calendar year 2004 was computed from the data shown below.

January	226.2
February	212.3
March	194.0
April	203.2
May	223.8
June	247.4
July	239.0
August	236.6
September	205.4
October	218.1
November	286.3
December	267.3
Annual Average	230.0

STEP 2 - A gas base rate adjustment of 3.0383 was computed by dividing the annual average price index by the denominator specified in the statute, i.e., 230.0 divided by 75.7.

STEP 3 - The gas tax rate of \$.1215 was computed by multiplying \$.04 times the gas base rate adjustment of 3.0383, with the resultant rounded to four places after the decimal.

The gas tax rate is also published on the Office of State Tax Commissioner's web site located at: www.ndtaxdepartment.gov. If you have any questions regarding this notification, please contact the Oil and Gas Tax Section at 701-328-3657 or by email at oiltax@state.nd.us.